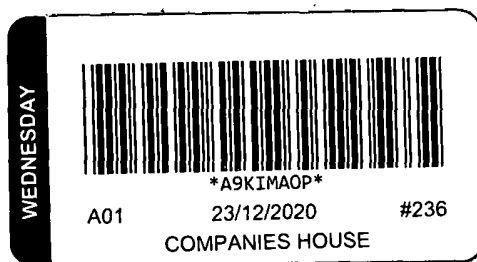


REGISTERED NUMBER: 07167027 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020
FOR
ENSEK LTD**



Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
Regent House
80 Regent Road
Leicester
LE1 7NH

ENSEK LTD

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for the year ended 31 March 2020

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ENSEK LTD

COMPANY INFORMATION
for the year ended 31 March 2020

DIRECTORS:

A J Stevenson
J A Slade
P E Bennett
J L Kirk
M Wright

REGISTERED OFFICE:

Watercourt
116-118 Canal Street
Nottingham
NG1 7HF

REGISTERED NUMBER:

07167027 (England and Wales)

AUDITORS:

Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
Regent House
80 Regent Road
Leicester
LE1 7NH

ENSEK LTD

**STRATEGIC REPORT
for the year ended 31 March 2020**

The directors present their strategic report for the year ended 31 March 2020.

Principal Activities of the Business

The principal activity of ENSEK Limited is as a company that develops and implements a suite of business critical software, advisory and managed service solutions to energy suppliers operating in the residential, SME and Industrial & Commercial sectors.

The Company focuses on delivering innovative, cutting edge SaaS solutions to customers facilitating agility and real time insight in a rapidly digitalising and data rich UK energy sector. Removing the complexity of the energy sector and enabling energy suppliers to deliver a state-of-the-art, differentiated service to their customers.

Modular solutions are offered to customers, these include:

- Industry Process Management: highly automated, real-time market messaging platform across electricity and gas market flows and smart meters which supports DTC, IX and Smart DCC. Event-driven workflows for proactive task management.
- Billing: real-time billing engine delivering meter read validation, estimation, charging and invoicing from fixed products and single sites through to complex groups and flex products. Enabling customers to bill accounts accurately, increase customer satisfaction and reduce cost to serve.
- Customer Management: in-life account management with customer online self-serve, mobile app and broker / partner portals. Multi-channel module to streamline customer communication integrated with our billing and market messaging layers, the customer management platform provides a full 360° view of the customer from one single data source.
- Digital Insights: next generation real-time analytics platform with zero latency on production capacity. Interactive dashboards to analyse trends providing a better understanding of customers, improved decision making and unlocking valuable insight.
- Revenue Assurance: market-leading meter-level reconciliation of settled and billed volumes to identify revenue leakage including real-time cost and volume monitoring.
- Energy Accounting: unique customer-level cost and margin reporting to facilitate performance reporting and optimisation.
- Industry Pricing Engine: delivery of complex B2B energy contracts through a streamlined, simplified automated process.

SaaS products are sold to customers on an enterprise subscription basis, typically on 3 to 5 year contracts with a fixed minimum subscription fee and incremental additional fees linked to customers' meter point volume.

Whilst the Group continues to support new entrants looking to participate in the UK energy sector for the first time, in FY20 the proportion of customers and new bookings became increasingly skewed towards mid-tier and large established suppliers as tighter accreditation requirements have been introduced for new suppliers.

Market

During FY20 there has continued to be an underlying level of volatility in the UK energy sector as the market contends with tight margins; fluctuating commodity prices; increasingly differentiated supplier offerings largely driven by technological advancements and digitalization; and the influence of an increasingly active regulator. Additionally COVID-19 has placed a further stress on some suppliers.

There have been several market trends which have developed through FY20. ENSEK is well positioned to capitalise on these developments:

- i. Switching: domestic switching rates have continued to accelerate with many mid-tier suppliers benefiting as market concentration continued to reduce, driven by increased consumer engagement. Many ENSEK customers have grown market share supported by this trend.
- ii. Competition: increased competition within the market, combined with the introduction of price caps to the UK energy market has tightened margins for many suppliers. There is increased pressure to reduce cost bases and improve customer service in order to compete effectively.
- iii. Digitalisation: driven by the increased competition, the pace of digital transformation continues to accelerate as suppliers use technology, such as that provided by ENSEK, to differentiate themselves to deliver a high quality customer experience and improved cost to serve. The continued roll out of Smart meters enables a more granular view of suppliers' customer base which can be used to further improve experience.
- iv. Consolidation: there continues to be an underlying level of failure of suppliers in the market and consolidation of smaller suppliers.

ENSEK LTD**STRATEGIC REPORT
for the year ended 31 March 2020**

v. **Reduced New Entrants:** the flow of new suppliers looking to participate into the UK energy sector has significantly reduced as market conditions have become less favorable and accreditation and operating requirements have been tightened. ENSEK's new bookings have increasingly been driven by Tier 1 and Tier 2 suppliers and non UK opportunities, however, experienced expert accreditation consultancy enables ENSEK to support new entrants through their accreditation.

The increasingly dynamic and data rich retail energy sector continues to present significant opportunity for ENSEK to deliver continued strong growth. The Company is uniquely positioned to capitalise on its industry leading technology to deliver market disrupting solutions, enabling our customers to succeed in a rapidly changing sector.

Summary

During FY20 ENSEK continued to deliver a strong trajectory of growth as revenue increased by [43%] to [£12.4m] driven by several factors including new customer acquisitions and the expansion of relationships with existing customers as we continued to support the growth of their market share. Continuous innovation and expansion of the range and depth of ENSEK's SaaS modules has also contributed to revenue growth.

BUSINESS REVIEW

ENSEK is now into its third year post LDC investment in October 2017. At the time of investment a clear strategy was developed by the Board to deliver the following objectives:

- to drive accelerated SaaS bookings and recurring revenue growth;
- to increase the proportion of revenue contributed by SaaS products;
- to invest in our operating platform and people to enable the business to scale effectively; and
- to continually invest in innovation and the development of new market leading products and features to deliver new capability and the continuing advancement and improvement of existing services to our customers.

Strong progress has been achieved against each of these objectives during FY20.

1). Drive accelerated SaaS bookings and recurring revenue growth

As a next generation tech focused business our ambition is to grow both the value and proportion of recurring SaaS revenue by continuously advancing the reach and capability of our products, enabling our customers to differentiate and win in a rapidly changing, digitalising energy sector.

FY20 saw significant investment in and advancement of the product suite with the launch of the ENSEK Pricing Engine, and significant advancement of our B2B, Smart DCC adaptor and Analytics offerings. This ongoing investment, as well as driving new bookings, has enabled our customers to deliver a differentiated, customer centric service and grow their market share. In the UK Citizens Advice Bureau energy supplier ratings at March 2020, which assesses 5 key areas including clarity of billing and ease of switching, ENSEK customers comprised 2 of the top 3 ranked suppliers.

ENSEK's commitment to product advancement contributed to revenue increasing by [43%] to [£12.4m] in FY20, with recurring comprising 78% of total revenue, although this proportion was skewed downwards by the delivery of a large one-off, non-recurring project.

2). Increase the proportion of revenue contributed by SaaS products

In FY20 SaaS revenue continued to increase to £7.9m, growth of 38% as new and existing customers increased their market share and the relationships with ENSEK expanded. SaaS revenue contributed 82% of recurring revenue.

3). Invest in our operating platform and people to enable the business to scale effectively

Significant investment was made into our people and operations during FY20 as headcount increased by 38% to 175. High calibre, senior employees have been brought into the team including our Chief Growth Office, Chief Product Officer and HR Director. Processes and operating models are also under continuous review to improve, refine and enable friction free scaling. Operating costs (excluding depreciation and amortisation) increased to [£8.4m], representing [68%] of revenue.

4). Continually invest in the development of new products and features to deliver new capability and the continuing advancement and improvement of existing services.

Ongoing advancement and innovation is at the heart of ENSEK. In FY20 we have continued to drive the development of our SaaS solution and bringing new innovations to market. During FY20 we have invested heavily in the advancement of the functionality offered by our B2B and I&C solutions, expanded the capability of our Smart DCC adaptor and launched the ENSEK Pricing Engine.

Post balance Sheet Events

The Company has continued to expand its business strategically through advancing software capability, winning new customers and supporting our existing customer base to grow market share.

In April 2020 ENSEK Limited acquired a majority stake in Nrgfin bv (now ENSEK Benelux bv) a SaaS and consultancy business operating in the Belgium energy sector.

ENSEK LTD

STRATEGIC REPORT

for the year ended 31 March 2020

PRINCIPAL RISKS AND UNCERTAINTIES

The Directors continue to identify and evaluate operational and other risks faced by the Group, implementing changes where necessary to reduce risk to manageable levels.

A summary of the key risks is provided below.

COVID-19

The ongoing COVID-19 pandemic has resulted in unpredictability and uncertainty for all businesses. As a company operating in the B2B sector serving the energy sector ENSEK has remained relatively insulated from the impacts many businesses are experiencing, however, the pandemic does lead to increased risk which management has assessed and is carefully managing and mitigating. Primary amongst these is credit risk should customers delay payment if their working capital cycles have lengthened. As well as tightly managing overdue debt provisions are made on the balance sheet where management believes there is uncertainty around recovery. Also linked to credit exposure, there is an increased risk of customer failure. Regular assessments of the financial position of our customer base are completed, reviewed by the Board and appropriate action taken.

Credit Risk

The Group's principal financial assets are bank balances and cash, trade receivables and other receivables. The Group's credit risk is primarily related to trade receivables. The balances presented in the balance sheet are net of allowances for doubtful receivables. There have been several high-profile energy supplier failures in the last 12 months. Group policies are aimed at minimising any bad debt write offs by performing robust credit assessment of new customers and continuous assessment of the credit worthiness of existing customers.

Customers are normally heavily reliant on the SaaS and services provided by ENSEK as business critical software, which can be readily cancelled for non-payment, in accordance with terms and conditions, further mitigating exposure to credit risk.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Group aims to mitigate liquidity risk by managing cash generation from its operations, collecting cash from trade debtors in line with agreed terms and carefully managing accounts payable.

The Board reviews the Group's liquidity at monthly meetings. The Group also prepares weekly short-term cash flow forecasts and maintains flexibility by maintaining appropriate headroom in its cash position.

Brexit Risk

The Directors has assessed risk of a Hard Brexit on the operations of the business and have concluded that this would not have a material impact to the financial statements.

Going Concern

The Directors believe that it is appropriate to prepares the accounts on a going concern basis. The directors have prepared and reviewed forecasts, including downside scenarios, and have concluded that there is sufficient cash and funding available to the business to meet all liabilities as they fall due.

In accordance with the Guidance on Going Concern and Liquidity Risk Guidance for UK Companies 2009, the Directors confirm that, after making enquiries, they have a reasonable expectation that the Company and the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

ON BEHALF OF THE BOARD:

Jon Slade

J A Slade - Director

Date: 22/12/2020

ENSEK LTD

**REPORT OF THE DIRECTORS
for the year ended 31 March 2020**

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

ENSEK Ltd is a leading provider of innovative SaaS, Managed Service and Consultancy solutions to the Utilities and Energy industry, enabling customers to improve their business performance and competitiveness.

DIVIDENDS

No dividends will be distributed for the year ended 31 March 2020 (2019: £nil).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

A J Stevenson
J A Slade
P E Bennett
J L Kirk
M Wright

RESULTS

The profit for the period, after taxation, amounted to £2,342,878 (2019: £1,167,525).

MATTERS COVERED IN THE STRATEGIC REPORT

Future developments are covered in the strategic report.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

ENSEK LTD

**REPORT OF THE DIRECTORS
for the year ended 31 March 2020**

AUDITORS

The auditors, Grant Thornton UK LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Jon Slade

.....
J A Slade - Director

Date: 22/12/2020
.....

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF ENSEK LTD

Opinion

We have audited the financial statements of Ensek Ltd (the 'company') for the year ended 31 March 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

The impact of macro-economic uncertainties on our audit

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to the uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Auditor's Report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ENSEK LTD**

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

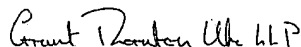
Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Christopher Frostwick (Senior Statutory Auditor)
for and on behalf of Grant Thornton UK LLP
Chartered Accountants
Senior Statutory Auditor
Regent House
80 Regent Road
Leicester
LE1 7NH

Date: 22/12/2020

ENSEK LTD

STATEMENT OF COMPREHENSIVE INCOME
for the year ended 31 March 2020

	Notes	2020 £	2019 £
TURNOVER	4	12,388,052	8,676,984
Cost of sales		(1,031,776)	(771,681)
GROSS PROFIT		11,356,276	7,905,303
Exceptional costs		112,809	(446,800)
Administrative expenses		(9,140,054)	(6,413,771)
OPERATING PROFIT	6	2,329,031	1,044,732
Interest payable and similar expenses	9	(2,722)	(1,866)
PROFIT BEFORE TAXATION		2,326,309	1,042,866
Tax on profit	10	16,569	124,659
PROFIT FOR THE FINANCIAL YEAR		2,342,878	1,167,525
Other comprehensive income		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		2,342,878	1,167,525

The notes form part of these financial statements

ENSEK LTD (REGISTERED NUMBER: 07167027)**BALANCE SHEET**
31 March 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Intangible assets	11	2,931,323	2,478,183
Tangible assets	12	244,908	302,989
Investments	13	100	100
		<u>3,176,331</u>	<u>2,781,272</u>
CURRENT ASSETS			
Debtors	14	4,025,761	2,437,759
Cash at bank and in hand	15	2,762,019	1,791,388
		<u>6,787,780</u>	<u>4,229,147</u>
CREDITORS			
Amounts falling due within one year	16	(2,538,447)	(1,689,628)
NET CURRENT ASSETS		<u>4,249,333</u>	<u>2,539,519</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>7,425,664</u>	<u>5,320,791</u>
CREDITORS			
Amounts falling due after more than one year	17	(55,275)	(32,368)
PROVISIONS FOR LIABILITIES	19	(651,064)	(911,976)
NET ASSETS		<u><u>6,719,325</u></u>	<u><u>4,376,447</u></u>
CAPITAL AND RESERVES			
Called up share capital	20	192	192
Share premium	21	1,044,765	1,044,765
Retained earnings	21	5,674,368	3,331,490
		<u><u>6,719,325</u></u>	<u><u>4,376,447</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 22/12/2020 and were signed on its behalf by:

Jon Slade

J A Slade - Director

The notes form part of these financial statements

ENSEK LTD

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2018	192	1,961,191	1,044,765	3,006,148
Prior year adjustment	-	202,774	-	202,774
As restated	<u>192</u>	<u>2,163,965</u>	<u>1,044,765</u>	<u>3,208,922</u>
Changes in equity				
Total comprehensive income	-	1,167,525	-	1,167,525
Balance at 31 March 2019	<u>192</u>	<u>3,331,490</u>	<u>1,044,765</u>	<u>4,376,447</u>
Changes in equity				
Total comprehensive income	-	2,342,878	-	2,342,878
Balance at 31 March 2020	<u>192</u>	<u>5,674,368</u>	<u>1,044,765</u>	<u>6,719,325</u>

The notes form part of these financial statements

ENSEK LTD**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2020****1. STATUTORY INFORMATION**

ENSEK Ltd is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

ENSEK Ltd is a leading provider of innovative SaaS, Managed Service and Consultancy solutions to the Utilities and Energy industry, enabling customers to improve their business performance and competitiveness.

The energy sector is unique and complex, providing a distinctive set of challenges for any organisation wanting to become a participant. Data is at the heart of these challenges and ENSEK Ltd's unique combination of platform solutions, outsourced services and innovative industry consultants remove competitive barriers and allow our customers to stay ahead of technological and market change, deliver exceptional customer service, and gain critical visibility over revenue and margin.

2. ACCOUNTING POLICIES**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The presentational currency of the financial statements is Sterling (£).

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within the notes to the accounts (see note 3).

Going concern

The directors have prepared forecasts to the period ending 31 March 2022.

The directors have prepared sensitivity scenarios taking account of pessimistic outcomes for Ensek Limited/Ensek Holdings Limited, and in each instance have considered the working capital requirements of the business until the end of 31 March 2022.

Ensek Limited/Ensek Holdings Limited has adjusted its operations and financial forecast in response to COVID-19 and concluded that the company has sufficient cash reserves and access to finance in order to be able to meet its liabilities as they fall due.

The directors therefore consider that the company will continue in operational existence for the foreseeable future and accordingly the directors consider it appropriate to prepare the financial statements on a going concern basis.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Ensek Holdings Limited as at 31 March 2020 and these financial statements may be obtained from Companies House.

Exemption from preparing consolidated financial statements

The company is a parent company that is also a subsidiary included in the consolidated financial statements, of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

ENSEK LTD**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020****2. ACCOUNTING POLICIES - continued****Revenue**

The principal revenue streams are recurring revenue and non-recurring revenue.

Recurring revenue is software sales, managed services and software support. Software revenue is recognised at the point at which the software is activated. Managed services and software support revenue is recognised monthly on a straight line basis over the term of the contract.

Non-recurring revenue is made up of professional services. Revenue is recognised based on stage of completion.

Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short leasehold land & buildings	- 25% straight line
Motor vehicles	- 25% reducing balance
Computer equipment	- 33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ENSEK LTD**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020****2. ACCOUNTING POLICIES - continued****Operating leases: the company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Leased assets: the company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors' net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Pensions

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the company in independently administered funds.

Provisions for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ENSEK LTD**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020****2. ACCOUNTING POLICIES - continued****Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives of 3 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

(iii) Provision for tax

The company makes an estimate of the corporation tax liability due to HM Revenue & Customs as at the balance sheet date. When assessing the liability, the directors evaluate all aspects which may be open to interpretation and take specialist advice where necessary.

(iv) Professional services work

The company makes an estimate of the stage of completion of professional services work to determine the recognition of revenue in respect of this work.

(v) Capitalisation of development costs

The company applies judgement to determine whether an R&D project has met the capitalisation criteria under FRS 102. Estimation is applied to determine how development costs are captured, and the stage of completion of work done.

(vi) Provision for claim

A provision of £116,992 (2019: £446,800) has been made at March 2020 relating to a claim made against the business.

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2020	2019
	£	£
Recurring SaaS	7,907,295	5,744,762
Recurring managed services	1,703,951	1,312,830
Professional services	2,776,806	1,619,392
	<u>12,388,052</u>	<u>8,676,984</u>

ENSEK LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 20204. **TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	2020 £	2019 £
United Kingdom	12,388,052	8,676,984
	<u>12,388,052</u>	<u>8,676,984</u>

5. **EMPLOYEES AND DIRECTORS**

The average number of employees, including directors, during the year was 145 (2019 - 104).

Staff costs, including director's remuneration, were as follows:

	2020 £	2019 £
Wages and salaries	5,613,499	3,652,574
Social security costs	626,693	372,733
Cost of defined contribution scheme	147,324	95,786
	<u>6,387,516</u>	<u>4,121,093</u>

6. **OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2020 £	2019 £
Other operating leases	204,890	114,752
Depreciation - owned assets	149,529	101,994
Loss on disposal of fixed assets	273	-
Capitalised development costs amortisation	1,600,260	1,068,026
Foreign exchange differences	(818)	6,937
	<u></u>	<u></u>

7. **AUDITORS' REMUNERATION**

	2020 £	2019 £
Fees payable to the company's auditor for the audit of the company's annual financial statements	19,500	15,500
	<u></u>	<u></u>

8. **EXCEPTIONAL ITEMS**

	2020 £	2019 £
Exceptional costs	(112,809)	446,800
	<u></u>	<u></u>

Exceptional costs relate to the movement in the year of provisions made in relation to claims against the company.

9. **INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020 £	2019 £
Hire purchase	2,722	1,866
	<u></u>	<u></u>

ENSEK LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020

10. TAXATION

Analysis of the tax credit

The tax credit on the profit for the year was as follows:

	2020 £	2019 £
Current tax:		
UK corporation tax	(85,466)	(327,694)
Adjustments in respect of prior years	-	(11,713)
Total current tax	(85,466)	(339,407)
Deferred tax	68,897	214,748
Tax on profit	(16,569)	(124,659)

UK corporation tax was charged at 19% in 2019.

Reconciliation of total tax credit included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Profit before tax	2,326,309	1,042,866
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	441,999	198,145
Effects of:		
Expenses not deductible for tax purposes	6,014	5,699
Depreciation in excess of capital allowances	1,942	41,334
Enhanced research and development expenditure	(484,942)	(441,422)
Research and development tax credit adjustment	26,524	101,698
Adjustments in respect of prior years	-	(11,713)
Change in tax rate	(8,106)	(18,400)
Total tax credit	(16,569)	(124,659)

ENSEK LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020

11. INTANGIBLE FIXED ASSETS

	Capitalised development costs £
COST	
At 1 April 2019	4,788,457
Additions	2,053,400
At 31 March 2020	6,841,857
AMORTISATION	
At 1 April 2019	2,310,274
Amortisation for year	1,600,260
At 31 March 2020	3,910,534
NET BOOK VALUE	
At 31 March 2020	2,931,323
At 31 March 2019	2,478,183

Capitalised development costs relate to software development.

12. TANGIBLE FIXED ASSETS

	Short leasehold land & buildings £	Motor vehicles £	Computer equipment £	Totals £
COST				
At 1 April 2019	282,535	83,080	224,514	590,129
Additions	-	78,500	51,473	129,973
Disposals	-	(83,080)	-	(83,080)
At 31 March 2020	282,535	78,500	275,987	637,022
DEPRECIATION				
At 1 April 2019	169,950	39,052	78,138	287,140
Charge for year	56,276	16,951	76,302	149,529
Eliminated on disposal	-	(44,555)	-	(44,555)
At 31 March 2020	226,226	11,448	154,440	392,114
NET BOOK VALUE				
At 31 March 2020	56,309	67,052	121,547	244,908
At 31 March 2019	112,585	44,028	146,376	302,989

ENSEK LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020

12. TANGIBLE FIXED ASSETS - continued

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	Motor vehicles £
COST	
At 1 April 2019	83,080
Additions	78,500
Disposals	(83,080)
At 31 March 2020	78,500
DEPRECIATION	
At 1 April 2019	39,052
Charge for year	16,951
Eliminated on disposal	(44,555)
At 31 March 2020	11,448
NET BOOK VALUE	
At 31 March 2020	67,052
At 31 March 2019	44,028

13. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
COST	
At 1 April 2019 and 31 March 2020	100
NET BOOK VALUE	
At 31 March 2020	100
At 31 March 2019	100

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Intelligen Limited

Registered office: Watercourt, 116-118 Canal Street, Nottingham, England, NG1 7HF
Nature of business: IT consultancy services

Class of shares:	% holding	2020 £	2019 £
Ordinary	100.00	30,556	31,843
		(1,287)	(156)
Aggregate capital and reserves			
Loss for the year			

ENSEK LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020

14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	2,043,108	1,894,277
Amounts owed by group undertakings	1,356,187	-
Other debtors	178,980	347,795
Prepayments and accrued income	447,486	195,687
	<u>4,025,761</u>	<u>2,437,759</u>

Trade debtors are stated net of a provision for doubtful debts of £285,780 (2019: £84,507).

15. CASH AT BANK AND IN HAND

	2020 £	2019 £
Cash at bank and in hand	2,762,019	1,791,388
	<u>2,762,019</u>	<u>1,791,388</u>

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Hire purchase contracts (see note 18)	10,232	11,769
Trade creditors	421,788	282,611
Amounts owed to group undertakings	-	193,291
Social security and other taxes	831,747	286,196
Other creditors	7,201	7,054
Accruals and deferred income	1,267,479	908,707
	<u>2,538,447</u>	<u>1,689,628</u>

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Hire purchase contracts (see note 18)	55,275	32,368
	<u>55,275</u>	<u>32,368</u>

18. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2020 £	2019 £
Net obligations repayable:		
Within one year	10,232	11,769
Between one and five years	55,275	32,368
	<u>65,507</u>	<u>44,137</u>

ENSEK LTD

NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020

18. LEASING AGREEMENTS - continued

	Non-cancellable operating leases	
	2020	2019
	£	£
Within one year	124,245	99,576
Between one and five years	398,593	397,488
In more than five years	93,595	231,000
	<u>616,433</u>	<u>728,064</u>

19. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	534,073	465,176
Other provisions	116,991	446,800
	<u>651,064</u>	<u>911,976</u>
	Deferred tax	Other provisions
	£	£
Balance at 1 April 2019	465,176	446,800
Provided during year	68,897	(329,809)
Balance at 31 March 2020	<u>534,073</u>	<u>116,991</u>

At end of year

The provision for deferred taxation is made up as follows:

	2020	2019
	£	£
Accelerated capital and R&D allowances	(537,983)	(468,078)
Tax losses carried forward	1,364	1,364
Short term timing differences	2,546	1,538
	<u>(534,073)</u>	<u>(465,176)</u>

20. CALLED UP SHARE CAPITAL

	2020	2019
	£	£
Allotted, called up and fully paid		
11,160 A ordinary shares of £0.01 each	112	112
8,000 B ordinary shares of £0.01 each	80	80
	<u>192</u>	<u>192</u>

ENSEK LTD

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the year ended 31 March 2020**

21. RESERVES

Share premium account

The share premium account includes any premiums received on issue of share capital.

Retained earnings account

The retained earnings account comprises all current and prior period retained profits and losses, less dividends declared and paid.

22. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £131,070 (2019 - £95,786). Contributions totalling £37,296 (2019 - £20,519) were payable to the fund at the balance sheet date and are included in creditors.

23. RELATED PARTY DISCLOSURES

As a wholly owned subsidiary of ENSEK Holdings Limited, the company is exempt from the requirements of FRS 102 Section 33 to disclose transactions with other members of the group headed by ENSEK Holdings Limited

24. POST BALANCE SHEET EVENTS

The company has continued to expand its business strategically through advancing software capability, winning new customers and supporting our existing customer base to grow market share.

In April 2020 ENSEK Limited acquired a majority stake in Nrgfin bv (now ENSEK Benelux bv) a SaaS and consultancy business operating in the Belgium energy sector.

25. ULTIMATE CONTROLLING PARTY

The Company's ultimate holding company and controlling party is ENSEK Holdings Limited, a company registered in England and Wales. ENSEK Holdings Limited prepares consolidated financial statements, of which ENSEK Ltd is a member, that are publicly available from Companies House.